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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

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SUSAN BITTER SMITH - Chairman
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TOM FORESE

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
JOSHUA VALLEY UTILITY CO., INC. FOR A
PERMANENT INCREASE TO ITS WATER
RATES.

DOCKET NO. W-02023A-14-0395

PROCEDURAL ORDER
(Sets Procedural Conference)

BY THE COMMISSION:

On November 26, 2014, Joshua Valley Utility Co., Inc. ("Joshua Valley" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water rates and charges, using a test year ("TY") ending December 31, 2013. Joshua Valley's application requests authorization to increase rates to generate an additional \$207,151 in revenues per year, resulting in a 71 percent increase over adjusted TY revenues of \$292,031, for a proposed total revenue requirement of \$499,182. Under the Company's proposed rates, the minimum monthly charge for a customer served by a 5/8 x 3/4-inch meter, with an average monthly water usage of 2,540 gallons would increase from \$22.00 to \$38.10.

On December 22, 2014, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that Joshua Valley's application had met the sufficiency requirements outlined in Arizona Administrative Code ("A.A.C.") R14-2-103, and that Joshua Valley had been classified as a Class C utility.

On December 31, 2014, a Procedural Order was issued scheduling an evidentiary hearing to commence on July 9, 2015, and establishing other procedural deadlines.

On January 20, 2015, Joshua Valley filed a Notice of Change of Authorized Representative.

On March 13, 2015, Joshua Valley filed a Motion for Extension of Time to Provide Public Notice and Reset the Case Schedule. The motion stated that the Company's counsel did not receive the Procedural Order requiring notice to be published and establishing other procedural deadlines. The motion requested the following proposed procedural schedule: 1) publication of notice by April

1 10, 2015; certification of publication docketed by April 24, 2015; intervention by May 1, 2015; direct
2 testimony by Staff and/or any intervenors by June 26, 2015; rebuttal testimony by the Company on
3 July 17, 2015; surrebuttal testimony on July 31, 2015; and that the evidentiary hearing be reset for a
4 reasonable time thereafter. The motion also stated that Staff did not oppose the Company's request
5 for an extension of time.

6 On March 31, 2015, by Procedural Order, the Company's motion was granted, the hearing
7 was rescheduled to begin on August 12, 2015, and the timeclock was extended accordingly.

8 On June 2, 2015, Joshua Valley filed a Notice of Withdrawal of Rate Application ("Notice").
9 The Notice states that the consultant hired by the Company to work on the rate case is no longer
10 available, the rate case application has been transferred to another consultant, and the Company's
11 President has undergone heart surgery and has been unavailable to work on the rate application. The
12 Company's Notice states that an updated test year is appropriate and that the Company intends to file
13 a new rate application using a 2014 test year, within 90 days or as soon as it is practical.

14 On June 4, 2015, Staff filed a Response to Notice of Withdrawal of Rate Application stating
15 that although Staff does not oppose the Company withdrawing its rate application, Staff does not
16 agree to an open-ended timeframe for which the Company should file its next rate case. Staff states
17 that a review of the Company's history shows that it has not completed a rate case since 2001, and
18 that the Company's rate cases filed in the years 2009, 2010, and now 2014, have all been withdrawn
19 and not completed. Staff believes that the Company should be required to file its next rate case,
20 using a 2014 test year, on or by August 31, 2015.

21 Accordingly, a procedural conference should be held to discuss the Company's rate case
22 filings.

23 IT IS THEREFORE ORDERED that a procedural conference, **to discuss Joshua Valley's**
24 **rate case application filings, shall be held on June 24, 2015, at 10:00 a.m.,** at the Commission's
25 offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, AZ 85007.

26 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
27 Communications) applies to this proceeding and shall remain in effect until the Commission's
28 Decision in this matter is final and non-appealable.

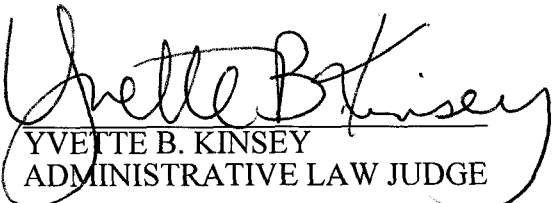
1 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
2 31 and 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

3 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
4 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
5 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
6 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
7 discussion unless counsel has previously been granted permission to withdraw by the Administrative
8 Law Judge or the Commission.

9 IT IS FURTHER ORDERED that each party to this matter may opt to receive service of all
10 Procedural and Recommended Orders issued by the Commission's Hearing Division in this matter
11 via e-mail rather than U.S. Mail, as permitted under A.A.C. R14-3-107(B). To exercise this option, a
12 party shall send to HearingDivisionServicebyEmail@azcc.gov, from the e-mail address at which the
13 party desires to receive service, an e-mail request including the name of the party on whom service is
14 to be made and the docket number for this matter. After a party receives an e-mail confirmation of its
15 request from HearingDivisionServicebyEmail@azcc.gov, the party will receive all future Procedural
16 and Recommended Orders issued by the Hearing Division in this matter via e-mails to the address
17 provided by the party, unless and until the party withdraws its request. Service of a document via e-
18 mail shall be considered complete upon the sending of an e-mail containing the document to the e-
19 mail address provided by a party, regardless of whether the party receives or reads the e-mail
20 containing the document.

21 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
22 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
23 hearing.

24 DATED this 10th day of June, 2015.

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YVETTE B. KINSEY
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed
2 this 10th day of June, 2015 to:

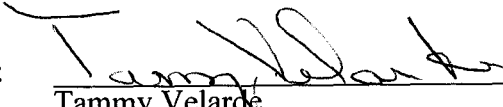
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